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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

RS/R FILES

5/5  
19 JAN 1968

Attention Mrs. MULLETT  
Keep this study together,

(b) (1)  
(b) (3)

MEMORANDUM FOR: Mr. Arthur A. Hartman  
Staff Director  
Senior Interdepartmental Group  
Office of the Under Secretary of State  
Department of State

SUBJECT : Economic and Political Factors in  
East-West German Trade

1. The enclosed memorandum reviews the changing role of economic and political factors in East-West German trade. Shortly after World War II, West Germany encouraged interzonal trade in order to facilitate the reunification of Germany, and East Germany consented in order to obtain essential raw materials that were in short supply in the Communist countries.

2. West Germany continues to make economic concessions to East Germany in order to preserve contact with the "other" Germany, as a part of the broader West German effort to cultivate markets in Eastern Europe. No longer as dependent on West German steel and chemicals, East Germany has tended to stiffen its political demands in an effort to convert the present interzonal arrangements into government-to-government trade agreements, which would recognize at least the de facto independence of East Germany.

Director  
Economic Research

Enclosure:  
IM 68-5 (Subject Report)

STATE DEPARTMENT  
☐ Retain class n Change/classify to  
☒ Declassify with concurrence of CIA  
EO 12958, 25X  
FPC/HDR by HCS Date: 4/2/96

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

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